

**Illinois Department of Revenue
Regulations**

Title 86 Part 130 Section 130.1905 Agricultural Producers

**TITLE 86: REVENUE
PART 130
RETAILERS' OCCUPATION TAX**

Section 130.1905 Agricultural Producers

a) **Agricultural Producers-When Liable For Tax**

- 1) Persons who engage in the business of selling agricultural products, such as milk and other dairy products, livestock, meats, hay, grain, vegetables, fruit, plants, flowers, eggs, young trees or any other such items of tangible personal property, to purchasers for use or consumption, are required to remit Retailers' Occupation Tax to the Department upon their receipts from such sales, notwithstanding the fact that such persons may themselves produce the agricultural products which they sell.
- 2) For example, a dairy farmer who produces milk and sells it to purchasers for use or consumption becomes liable for the tax.
- 3) Similarly, farmers who sell products to purchasers for use or consumption from roadside stands or from vending vehicles to purchasers for use or consumption, or who rent or lease space at an established market, "sales barn" or other similar place and sell commodities in their own names to purchasers for use or consumption, are engaged in the business of selling tangible personal property to purchasers for use or consumption within the meaning of the Retailers' Occupation Tax Act.

b) **Agricultural Producers-When Not Liable For Tax**

Agricultural producers are not required to remit Retailers' Occupation Tax measured by their gross receipts from sales of tangible personal property to purchasers for purposes of resale. For example, a farmer who sells eggs to a grocer who purchases such eggs for resale to his customers is selling tangible personal property to a purchaser for purposes of resale.

c) **Associations of Agriculturists-When Liable for Tax**

When an association of agriculturists conducts a market, "sales barn" or other similar place at which agricultural produce is sold to purchasers for use or consumption by the association as agent for principles who are unknown or undisclosed (see Section 130.1915 of this Part, entitled "Auctioneers and Agents"), such association is engaged in the business of selling tangible personal property to purchasers for use or consumption within the meaning of the Act and is required to remit Retailers' Occupation Tax upon the gross receipts from such sales. The management of such association is required to file returns and pay the tax under such circumstances.

(Source: Amended and effective May 21, 1962)